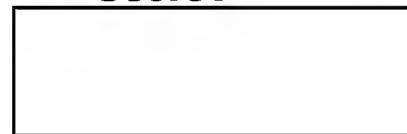


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NORTH VIETNAM: The Hanoi press again is giving heavy play to North Vietnamese concern over big-power summitry on the eve of President Nixon's visit to Peking.

Recent articles in both the party's daily and theoretical journal have given vent to an apprehension muted since last August. Common to the articles is a fear that the US will be able to exploit dissensions within the Communist world to bring about, in the words of one article, "a detente among various big countries while continuing to intimidate small nations." The Soviet Union and China are both named more than once in this connection.

Hanoi is even lecturing Peking and Moscow directly. "Because these socialist countries have become increasingly strong in every respect, how can they accept the view that Nixon has a new concept and a practical, intelligent attitude?" the theoretical journal demands. "It is certain that with all of its policies the United States will always consider the USSR, the PRC, and other socialist countries as its dangerous enemies."

Behind the North Vietnamese rhetoric lies a concern about how their traditional policy toward the Soviet Union and China will be affected by the new political alignments they see developing in Asia and among the three great powers. While the North Vietnamese probably believe that they still can play the Soviets and the Chinese off against each other, their long-standing distrust of big-power maneuvers obviously persists.

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EGYPT-UN: Egyptian leaders probably will seek to use their talks with UN special envoy Jarring, who arrives in Cairo today, to underscore their position that reactivation of his mission is the most promising approach to breaking the deadlock.

The communiqué issued after Sadat's recent Moscow visit and subsequent Egyptian press reports have stressed the need for greater involvement in peace efforts by Jarring.

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The Jordanian ambassador in Moscow claims that Jarring is receptive to playing a role in proximity talks on an interim Suez arrangement, but nothing has been heard from the envoy himself. Secretary General Waldheim earlier this month was publicly skeptical about an interim arrangement but subsequently, as a result of Israeli and US demarches, characterized the proximity talks and Jarring's mission as complementary.

The impasse over the lack of a positive Israeli reply to Jarring's memorandum of February 1971 on overall settlement terms has not been broken, and the Secretary General and Jarring are groping for a way to revive his mission. Waldheim told the US mission at the UN that Jarring has no immediate plans to visit Israel before returning to New York because he is fully abreast of the Israeli position.

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INDIA-PAKISTAN: The Indians are signaling that they are willing to begin discussions with President Bhutto leading toward formal peace talks.

A senior Indian Joint External Affairs official told a US Embassy officer on 15 February that Islamabad must adopt a more conciliatory posture toward New Delhi before Indian public opinion would countenance a more forthcoming government attitude. He implied that these conciliatory Pakistani gestures need not be wholly public and he said that New Delhi could be magnanimous toward Islamabad at the conference table but, because of tactical considerations, not beforehand.

New Delhi has approached the matter of formal peace talks with caution. Despite disclaimers, India may still feel it can obtain greater concessions from Islamabad by waiting. Alternatively, Army Commander Manekshaw recently intimated that his country was going slow on the negotiation question because "there is no sense in dealing with a chap who might not last as head of government." Moreover, according to the US Embassy officer, Indian officials still display New Delhi's typically ambivalent attitude toward Bhutto--wariness of his sometimes contradictory statements combined with a stated preference for dealing with him rather than with military leaders.

In revealing its interest in discussions with Bhutto, New Delhi may be attempting to demonstrate a flexible approach as well as to head off third party mediators. It is unlikely that India's long-term goals have been changed. The Indian official indicated that for the talks to succeed, Bhutto must indicate his willingness to soft-pedal "confrontation" and agree to a comprehensive review of all outstanding problems which would include the Kashmiri boundary issue.

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PAKISTAN: President Bhutto's political opposition is growing more restive.

The indefinite continuation of martial law has become the major point of dispute between Bhutto and his opponents. Bhutto says martial law will be lifted "much before" the end of the year, but opposition forces are demanding a definite deadline for the institution of democratic government. Disparate political groups appear to be coalescing around the National Awami Party (NAP) headed by Wali Khan in an effort to press Bhutto to set dates for convening the national assembly and to begin drafting a new constitution. They have also threatened to boycott elections to municipal and local political offices slated for 15 March, an act which would constitute deliberate defiance of Islamabad.

Working out a division of power between the four provinces and the central government is one of the most difficult domestic problems Bhutto faces. The demand for greater provincial autonomy is particularly strong in the Northwest Frontier Province and in Baluchistan. In both areas Bhutto's party is weak and Wali Khan's NAP expects to control the provincial governments. The two leaders met last weekend, but Wali remains highly suspicious that Bhutto will attempt to keep the NAP from coming to power in the two provinces. Wali indicated to US officials that he was prepared to counter such attempts by stirring up widespread latent discontent against the central government.

Bhutto is confronted with so many economic and political problems that he cannot afford a head-on clash with opposition forces at this time, and he may concede considerable provincial autonomy. On the issue of martial law, Bhutto may agree to curb the powers of centrally appointed provincial governors in favor of the ministries to be formed shortly after the provincial assemblies convene on 23 March.

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BANGLADESH: Recent clashes indicate that the law and order situation continues to be uneasy.

At least two skirmishes, with gunfire and casualties, have occurred recently between government forces and former Mukti Bahini guerrillas who felt they were being denied the prerogatives they deserved as ex-freedom fighters. One incident occurred on Wednesday in Dacca when ex-guerrillas who were being recruited into the national militia complained that their pay and amenities were too low in comparison with regular army officers. The tension eased only after Prime Minister Mujibur Rahman personally visited the scene and urged both sides to calm down. Another outbreak took place on the previous day in Comilla when police fought with Mukti Bahini who were insisting they should not have to pay bus fares. Additionally, reports of looting and extortion by hooligans masquerading as ex-guerrillas are becoming more frequent.

For the most part, there has been little breakdown in public order in the two months since independence. With the war-shattered economy unable to provide sufficient employment, however, discontent among the former guerrillas--who greatly outnumber the government forces and in many cases still have arms--will grow unless the Dacca regime manages to find or create enough places for them in the government bureaucracy, the new national militia, and the country's educational institutions. The withdrawal of the Indian Army from Bangladesh, scheduled for completion by 25 March, will add to the internal security burdens of Bangladesh's undermanned police force and its approximately 8,000-man regular army.

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NATO: The allies have agreed to establish a standing naval force in the Mediterranean.

A joint meeting of the NATO military staff and allied military representatives agreed to request the Supreme Allied Commander for Europe to begin to set up such a force--a move urged by Secretary Laird last December at the NATO ministerial meetings. The US has proposed that the force include a commander, staff, and designated ships along the lines of the standing naval force in the Atlantic.

The Italian, Greek, and Turkish representatives stated that growing concern about the Soviet military presence in the Mediterranean had made acquiescence in the plan possible. For the moment, these three countries have pledged periodic participation, with continuous participation only if they can afford it. The UK apparently will participate but cannot make specific commitments at this time. The West Germans pledged to make one destroyer available for short exercise periods.

The limited size of the projected force was undoubtedly a factor in acceptance of the plan since the Mediterranean allies were worried about its potential costs. Norway, Denmark, and Canada often have expressed concern that the alliance already pays too much attention to the Mediterranean but raised no objections to the concept at this week's meeting.

Acceptance of the concept, nevertheless, meets the US objective of encouraging a more active European role in the Mediterranean. France, a non-participant in NATO's integrated military structure and an advocate of removing the super-power rivalry from the area, presumably will make no direct contribution to the force.

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MOROCCO: King Hassan has proposed constitutional changes that imply a substantial limitation of his absolute power.

The King, who is Morocco's religious as well as secular leader, chose the Moslem New Year to announce that a nationwide referendum on proposed constitutional amendments would be held before the end of the month. The amendments will provide for the direct election of two thirds of the Chamber of Deputies; only three eighths of the present body are directly elected. "All executive power" will be vested in the government, which will be controlled by elected representatives. Hassan's role, he said, would be that of "national arbiter."

The King, however, has made clear that he intends to retain substantial authority, at least equivalent to the power of the presidents of the US and France. While his proposals fall well short of those demanded by the opposition National Front coalition, the most influential of the groups the King has been consulting, the front probably will accept the challenge and attempt to capture a large bloc of seats in the new assembly.

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URUGUAY: President-elect Juan Bordaberry's new administration appears headed for trouble with an opposition-led Congress and hostile labor unions.

In its first act, the Chamber of Deputies has chosen a member of the Blanco opposition as its leader. Although the election results, announced on 15 February, gave the Colorados a slim congressional lead over the Blancos, the leftist Frente Amplio coalition, which controls 18 seats in the lower house, reportedly supported the Blanco candidate. Voting in the Uruguayan legislature traditionally has been split between the numerous political factions rather than along major party lines, and these divisions can be expected to continue.

The Communist-dominated labor confederation has already denounced the new president in its report to the labor movement, adopted late last month. While this latest diatribe contains nothing new, it assures a continuation of the pattern of repeated labor-government problems. A general work stoppage has been scheduled for 14 March, at which time labor leaders will present their demands to Congress.

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HUNGARY-USSR: The Hungarian party leadership is considering personnel shifts, some of which may not be too acceptable to Moscow.

At a Budapest party meeting on 10 February, politburo member and city party boss Karoly Nemeth announced that corrupt, bureaucratic, and inept officials at all levels should be demoted. Party leader Kadar also addressed the session and emphasized that priority attention should be given problems in the party. Both Kadar and Nemeth emphasized the generally orderly aspects of the internal situation, but Nemeth warned against any temptations to use the proposed personnel changes as an opportunity to attack worthy officials or, in a special warning to conservatives, to begin anti-semitic attacks on Jewish liberals--some of whom are in Kadar's retinue. The proposed changes seem designed to root out bureaucratic opposition to Kadar's economic policies and simultaneously to order a go-slow approach to the economic reform.

The day after the Budapest party meeting, Kadar flew to Moscow where he probably discussed the proposed changes during three days of talks with Brezhnev. Kadar may have had trouble convincing the Soviet leader of the desirability of improving the economic reform at the expense of replacing veteran Communists. Only a week before, Pravda had pointedly reminded Budapest of its past problems with excessively liberal, younger members. The Soviet paper also implied support for the Hungarian "conservatives" by warning that the country had proved particularly susceptible to nationalism and Zionism.

Kadar also may have discussed Hungary's balance of payments and investment problems with Brezhnev. Moscow is not happy with Budapest's economic performance. The Pravda article, for example, had made reference to problems in bilateral

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trade, and other sources have indicated Soviet displeasure with Hungary's indebtedness to the West. A Soviet party-government delegation will visit Budapest later this year for discussions on economic and scientific-technological cooperation.

Kadar is a cautious politician and he will not tip the scales in favor of either liberals or conservatives. Any personnel changes probably will be designed to avoid seriously offending the Soviets.

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DAHOMY: A mutiny at the important Ouidah army garrison, now in its third week, continues to unsettle Dahomean politics and to feed rumors of coup plotting.

On 28 January, junior officers and enlisted men jailed their commander and took control of the Ouidah post, located only 25 miles from Cotonou, Dahomey's administrative center. Attempts by the government this week to disband and reassign the mutineers have so far been unsuccessful. Government orders have been flatly rejected by the rebellious garrison, and there are unconfirmed reports that the mutineers are in battle dress. The Ouidah unit is well-armed and mobile.

The mutiny has further strained relations within Dahomey's three-man Presidential Council and has opened opportunities for maneuvering by politically ambitious elements within the government and military. There are a variety of rumors and reports of impending power plays by different groups or individuals, at least some of whom are almost certainly in contact with the rebellious troops at Ouidah. Dahomey, which has experienced five military coups since it became independent in 1960, may face yet another military take-over.

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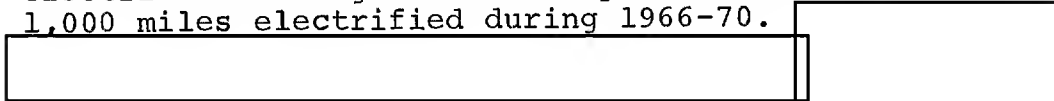
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POLAND: Warsaw is embarking on an ambitious railroad investment program in an effort to close the gap between growing demand and existing capacity.

Investments in the railroad sector, which will continue to handle more than three fourths of total inland traffic, will rise by more than 50 percent during 1971-75 compared with the previous five-year period. The program consists of the construction of new facilities as well as the modernization of existing installations and equipment.

The construction of a new 89-mile railroad linking Warsaw and the Katowice/Krakow area of Silesia by 1975 is the major element of the expansion program. This central arterial line will be electrified and double-tracked and will handle a major part of the growing freight traffic, thereby freeing existing facilities for faster passenger service. Transshipment stations at the Soviet border and domestic port terminals as well as inland freight yards will be expanded. Ten new container terminals and a classification yard also are to be constructed.

Although Polish transport policy calls for the elimination of steam traction by the early 1980s, one fourth of rail freight traffic will continue to be moved by steam by the end of 1975. In fact, only 800 miles of existing line is to be electrified during 1971-75 compared with the nearly 1,000 miles electrified during 1966-70.



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EL SALVADOR: The government's rejection of several opposition slates for the legislative elections on 12 March could mar the calm campaign atmosphere and cause a backlash against its candidate in the presidential election on Sunday.

The rejections have all been based on technicalities. Initially the government was on fairly safe ground when it rejected lists in four departments filed late by the left-of-center opposition coalition. The coalition, suffering from internal conflict and division of leadership responsibilities, unhappily admitted that the fault was its own. The subsequent disqualifications--another coalition slate that had been submitted on time plus several submitted by the two small rightist parties--were less valid and appear to be harassment by a government running scared.

These decisions can be appealed through legal channels, but the procedure would be slow. Opposition leaders are soliciting support for a fast reversal from every possible source of political pressure, including President Sanchez and the US Embassy. A number of cabinet members, military leaders, and members of the governing party also have asked Sanchez to find some way of remedying the situation. They fear that political overkill could produce sympathy for the opposition presidential candidate if steps are not taken at once.



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NATO: The allies probably will not change the status of the Brosio explorer mission on mutual and balanced force reductions (MBFR) until the next ministerial meeting in May, after President Nixon's visit to Moscow. At the meeting of the North Atlantic Council on Wednesday there was considerable support, however, for a new demarche to the Soviets in the interim, urging Moscow to be more forthcoming on MBFR. Most of the allies believe that the Brosio mission should be kept alive diplomatically until they can devise a new tack. Soviet diplomats in recent contacts have indicated that Moscow does not intend to receive Brosio.

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TURKEY: The government's new opium compensation program for farmers who refrain from planting poppies in 1972 and subsequent years should be adequate to cover their loss of income because of the ban on poppy production. Under the program, farmers will receive \$35 for each kilogram of opium gum turned over to the government during 1971; payments to individual farmers will average \$57 annually. This sum is generally larger than their previous income from poppy production. Unless prices for illegal gum rise substantially or the inspection system breaks down, there will be little incentive for farmers to reintroduce the crop.

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THE NETHERLANDS: The sudden collapse of mediation efforts has not yet forced the Biesheuvel government to abandon its hands-off policy in the bitter strike by 30,000 socialist metalworkers. Only a few issues were unresolved when the talks broke down over vacation pay--prompting mediators to complain that timid union leadership had succumbed to pressure from the militant strikers and had rejected significant concessions from management. Now the unions may seek to negotiate directly and separately with the employers. This would be a major departure from Dutch practice and could upset the government's modest efforts to control inflation if it led to spiraling labor costs.

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